

Consolidated 3rd Quarter Financial Results

for the Fiscal Year Ended December 31, 2021 (January 1, 2021 to September 30, 2021)

Company name: SIIX Corporation
 Stock code: 7613
 Stock exchange listing (Section): Tokyo Stock Exchange, (First Section)
 Head office: Osaka, Japan
 URL: <https://www.six.co.jp>
 President: Koji Yanase
 Contact: Seiji Ono
 Director, Executive Officer and General Manager,
 Finance and Accounting Department
 Telephone: +81-6-6266-6415
 Scheduled date of filing quarterly financial statement: November 12, 2021
 Scheduled date of payment of cash dividends: —

(Amounts rounded down to million yen)

1. Consolidated Financial Results (January 1, 2021 – September 30, 2021)

(1) Consolidated Results of Operations

(The percentages in the table below represent changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
3rd quarter ended Sep. 2021	163,807	27.3	3,598	25.5	4,233	57.3
3rd quarter ended Sep. 2020	128,632	(23.8)	2,867	(36.5)	2,691	(41.7)

	Profit attributable to owners of parent		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
3rd quarter ended Sep. 2021	3,274	451.0	69.28	69.18
3rd quarter ended Sep. 2020	594	(81.7)	12.57	12.11

(note) Comprehensive income

3rd quarter ended September 2021: 7,460 million yen (y/y —%)
 3rd quarter ended September 2020: -1,705 million yen (y/y —%)

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio
	Million yen	Million yen	%
3rd quarter ended Sep. 2021	153,861	62,500	40.3
Year ended Dec. 2020	144,436	56,498	38.8

(Reference) Stockholders' equity:

3rd quarter ended September 2021: 62,034 million yen
 Year ended December 2020: 56,084 million yen

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
Year ended Dec. 2020	—	Yen 14.00	—	Yen 15.00	Yen 29.00
Year ended Dec. 2021	—	15.00	—		
Year ended Dec. 2021 (forecasts)				15.00	30.00

(note) Changes in Forecasts for Dividends during this quarter: None

3. Consolidated Business Performance Forecasts for the Year Ending December 2021 (January 1, 2021 – December 31, 2021)

(The percentages in the table below represent changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
Full year	210,000	15.6	5,000	12.3	5,500	23.8

	Profit attributable to owners of parent		Net income per share (basic)
	Million yen	YoY change (%)	Yen
Full year	4,500	161.0	95.22

(Note) Changes in Consolidated Business Performance Forecasts for the Fiscal Year Ending December 2021 during this quarter: Change

* Note

- (1) Transfer of important subsidiaries during the period (transfer of specific subsidiaries in association with changes in the scope of consolidation): Change
(Changes in particular subsidiaries resulting in changes in the scope of consolidation)
Newly added: 1 company (Company name: PT. SIIX Trading Indonesia)
Excluded: 1 company (Company name: SIIX Bangkok Co., Ltd.)
- (2) Adoption or non-adoption of a specific method in accounting procedures: None
- (3) Changes in accounting policy and accounting estimate, and restatement related to consolidated financial statements
 - (i) Changes associated with the revision of accounting standards: None
 - (ii) Changes other than those described in (i): None
 - (iii) Changes in accounting estimate: None
 - (iv) Restatement: None
- (4) Number of outstanding shares (common shares)
 - (i) Number of outstanding shares at the end of the fiscal year (including treasury stock):

3rd quarter ended Sep. 2021:	50,400,000 shares
Year ended Dec. 2020:	50,400,000 shares
 - (ii) Number of treasury stock at the end of the fiscal year:

3rd quarter ended Sep. 2021:	3,139,763 shares
Year ended Dec. 2020:	3,139,729 shares
 - (iii) Average number of shares outstanding:

3rd quarter ended Sep. 2021:	47,260,243 shares
3rd quarter ended Sep. 2020:	47,256,113 shares

*These financial statements have not been prepared for the purpose of review procedures.

*Explanations and other special notes concerning the appropriate use of business performance forecasts

The consolidated business performance forecasts given above are based on the information available at the current time and assumptions of supposable market trends, etc., and thus may greatly differ from future performance for a variety of future reasons

■ Consolidated Financial Statements
 (1) Consolidated Balance Sheets

(JPY in millions)

	As of Dec. 31, 2020	As of Sep. 30, 2021
Assets		
Current assets		
Cash and deposits	23,130	12,206
Notes and accounts receivable-trade	37,057	40,489
Merchandise and finished goods	19,274	20,337
Work in process	1,376	1,678
Raw materials and supplies	15,880	29,144
Other	7,574	7,269
Allowance for doubtful accounts	(39)	(46)
Total current assets	104,254	111,079
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	13,551	14,480
Machinery, equipment and vehicles, net	10,575	11,912
Land	3,815	3,849
Other, net	4,124	3,708
Total property, plant and equipment	32,066	33,951
Intangible assets	2,421	2,574
Investments and other assets		
Investment securities	2,101	2,326
Investments in capital	958	1,019
Other	3,156	3,435
Allowance for doubtful accounts	(523)	(525)
Total Investments and other assets	5,693	6,255
Total noncurrent assets	40,181	42,781
Total assets	144,436	153,861

TRANSLATED

(JPY in millions)

	As of Dec. 31, 2020	As of Sep. 30, 2021
Liabilities		
Current liabilities		
Accounts payable-trade	27,481	34,404
Short-term loans payable	23,810	20,605
Income taxes payable	1,710	1,399
Other	6,852	8,794
Total current liabilities	59,855	65,204
Noncurrent liabilities		
Bonds	10,000	10,000
Long-term loans payable	12,061	10,112
Liabilities for retirement benefits	751	797
Other	5,269	5,245
Total noncurrent liabilities	28,082	26,155
Total liabilities	87,937	91,360
Net assets		
Shareholders' equity		
Capital stock	2,144	2,144
Capital surplus	5,631	5,631
Retained earnings	53,980	55,787
Treasury stock	(5,949)	(5,949)
Total shareholders' equity	55,806	57,612
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	90	468
Foreign currency translation adjustment	323	4,084
Adjustment for retirement benefits	(136)	(131)
Total accumulated comprehensive income	277	4,421
Subscription rights to shares	59	75
Non-controlling interests	354	391
Total net assets	56,498	62,500
Total liabilities and net assets	144,436	153,861

(2) Consolidated Statements of Income

(JPY in millions)

	Sep. 1, 2020 - Sep. 30, 2020	Sep. 1, 2021 - Sep. 30, 2021
Net sales	128,632	163,807
Cost of sales	117,151	149,086
Gross profit	11,480	14,721
Selling, general and administrative expenses	8,613	11,122
Operating income	2,867	3,598
Non-operating income		
Interest income	89	16
Dividends income	47	32
Share of profit of entities accounted for using equity method	—	7
Foreign exchange gains	—	170
Subsidy income	168	122
Gain on sales of goods	115	553
Gain on sales of scrap	127	137
Other	173	283
Total non-operating income	721	1,323
Non-operating expenses		
Interest expenses	289	223
Share of loss of entities accounted for using equity method	156	—
Foreign exchange losses	85	—
Purchase of goods	60	405
Other	305	59
Total non-operating expenses	897	687
Ordinary income	2,691	4,233
Extraordinary income		
Gain on reversal of share acquisition rights	2	0
Total extraordinary income	2	0
Extraordinary loss		
Losses related to COVID-19	1,684	—
Total extraordinary losses	1,684	—
Income before income taxes	1,009	4,234
Income taxes-current	309	1,559
Income taxes-deferred	106	(604)
Total income taxes-current	416	955
Net Income	592	3,278
Profit (loss) attributable to non-controlling interests	(1)	4
Profit attributable to owners of parent	594	3,274

Consolidated Statements of Comprehensive Income

(JPY in millions)

	Sep. 1, 2020 - Sep. 30, 2020	Sep. 1, 2021 - Sep. 30, 2021
Net Income	592	3,278
Other comprehensive income		
Valuation difference on available-for-sale securities	113	379
Deferred gains or losses on hedges	(0)	—
Foreign currency translation adjustment	(2,410)	3,752
Remeasurements of defined benefit plans	16	10
Equity equivalent of equity method affiliate	(17)	38
Total other comprehensive income	(2,298)	4,181
Comprehensive income	(1,705)	7,460
(Content)		
Comprehensive income attributable to owners of parent	(1,701)	7,423
Comprehensive income attributable to non-controlling interests	(4)	36

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on premise of a going concern)

Not applicable.

(Notes in the event of a significant change in the amount of shareholders' equity)

Not applicable.

(Additional Information)

Accounting estimate for the impact of the COVID-19 infection

During the 3rd quarter of the current fiscal year, there were no significant changes to the accounting estimates regarding the impact of the COVID-19 infection described in Additional Information of the 29th Annual Securities Report.

Although the Group has made careful estimates based on external information available at the time of preparation of the quarterly consolidated financial statements, the timing of convergence of the said infectious disease is currently unpredictable, and actual results may differ from the above estimates.

【Segment Information】

I 3rd quarter of previous year (1st Jan. 2020 – 30th Sep. 2020)

2 Information of net sales and income or loss by segments

(JPY in millions)

	Reportable Segment						Adjustment (note 1)	Consolidated income statement (note 2)
	Japan	China	ASEAN	Europe	Americas	Total		
Sales								
Sales to third parties	30,500	33,418	37,446	6,334	20,898	128,598	33	128,632
Intersegment sales and transfers	22,316	13,671	12,509	585	6,938	56,021	(56,021)	—
Total	52,817	47,089	49,956	6,920	27,836	184,620	(55,988)	128,632
Segment income or loss	(129)	1,021	1,652	(170)	564	2,938	(71)	2,867

(note 1) Adjustment is as following;

1. The amount of adjustment in sales to third parties, 33 million yen, is sales in Corporate segment.
2. The amount of adjustment in inter-segment sales and transfer, -56,021 million yen, is the amount of elimination of internal transactions between segments.
3. The amount of adjustment in segment income, -71 million yen, is the amount of elimination of internal transactions between segments.

(note 2) The amount of adjustment in segment income is adjusted with operating income in the quarterly consolidated statements of income.

2 Information of assets by segments

Not applicable.

II 3rd quarter of current year (1st Jan. 2021 – 30th Sep. 2021)

1 Information of net sales and income or loss by segments

(JPY in millions)

	Reportable Segment						Adjustment (note 1)	Consolidated income statement (note 2)
	Japan	China	ASEAN	Europe	Americas	Total		
Sales								
to third parties	35,196	42,623	47,639	10,794	27,528	163,782	24	163,807
Intersegment sales and transfers	31,120	16,155	14,160	770	5,398	67,604	(67,604)	—
Total	66,316	58,779	61,800	11,564	32,926	231,387	(67,580)	163,807
Segment income or loss	(37)	1,133	2,496	(118)	388	3,861	(263)	3,598

(note 1) Adjustment is as following;

1. The amount of adjustment in sales to third parties, 24 million yen, is sales in Corporate segment.
2. The amount of adjustment in inter-segment sales and transfer, -67,604 million yen, is the amount of elimination of internal transactions between segments.
3. The amount of adjustment in segment income, -263 million yen, is the amount of elimination of internal transactions between segments.

(note 2) The amount of adjustment in segment income is adjusted with operating income in the quarterly consolidated statements of income.

2 Information of assets by segments

Not applicable.